

# Local unemployment rate up

*Unemployment*  
Area trend bucks  
statewide drop  
to 30-year low

By **DAVID PACINI**  
SENTINEL STAFF WRITER

Santa Cruz County's unemployment rate climbed to 8.3 percent in January, bucking the statewide trend, which hit a 30-year low at 4.5 percent.

Raymond McDonald of the state's Employment Development Department said small declines in all sectors contributed to Santa Cruz's high rate.

"Typically, Santa Cruz's unem-

ployment rate has been higher than the state's, so the fact that Santa Cruz is running a little higher isn't unexpected," McDonald said.

Statewide, January's rate fell from 4.7 percent in December, said the state Employment Development Department.

The next-lowest unemployment rate was 4.4 percent in December 1969, although different calculation methods were used to determine the jobless rate then.

Santa Cruz's unemployment rate jumped from 6.7 percent in December to 8.3 percent in January.

"Most of those jobs seemed to come out of the services sector, which is the largest employment sector in Santa Cruz," McDonald said, adding that 1,500 people left retail jobs in

January. In addition, 400 jobs in manufacturing were vacated.

McDonald said the drop-off in retail jobs was largely because of the end of the holiday shopping season.

According to McDonald, there is no evidence the failure of high-technology startups contributed to the rise in the local unemployment rate.

"We are attempting to track the dot-com downsizing," McDonald said.

"We've been tracking it since the end of the year, but at this point we're not seeing those numbers. What appears to be happening is that people with computer skills tend to find employment fairly rapidly or leave the job market to get more schooling."

A state survey showed 16.5 million

## January unemployment rates

**SANTA CRUZ COUNTY:** 8.3 percent, up from 6.7 percent in December. Out of 137,400, 11,400 people unemployed.

**STATEWIDE:** 4.5 percent, down from 4.7 percent in December. Out of 17.3 million, 784,000 people unemployed. That's down 32,000 from December and 48,000 over the year. Of those jobless, 447,800 were laid off, 98,300 left voluntarily and the rest were new entrants or re-entrants into the job market. Service industry cut 40,400 jobs. Retail cut 127,100 jobs, including post-holiday cutbacks. Mining, transportation and public utilities added jobs.

**LOWEST JOBLESS RATES:** San Mateo County with 1.5 percent, Santa Clara County with 1.6 percent and Marin County with 1.7 percent.

**HIGHEST JOBLESS RATES:** Colusa County with 29.1 percent, Imperial County with 21.4 percent and Merced County with 17.6 percent.

people had jobs in California last month, the highest number ever employed in the state. That was up by 31,000 from December and by

441,000 from January 2000.

Contact David Pacini at  
[dpacini@santa-cruz.com](mailto:dpacini@santa-cruz.com).